

Message Text

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SUBJ: AUSTRALIAN GRAIN SALES TO USSR

REF: FASTO 04

1. MONITORING INDIVIDUAL GRAIN SHIPMENTS TO USSR FROM AUSTRALIA IS A PROBLEM, AS AUSTRALIAN WHEAT BOARD AND INTERNATIONAL TRADERS RELUCTANT TO DISCLOSE SHIPPING INFO. EVEN AWB WILL NOT PROVIDE DATA ON SHIPS LOADING OR NOMINATED, AND IN MANY CASES ARE ADVISED ONLY WHEN VESSELS POSITIONED CLOSE TO AUSTRALIA. CONSEQUENTLY, BEST WE CAN DO IS CABLE BI-WEEKLY DATA OF SHIPMENTS FOR WHEAT (ABOUT TWO WEEKS AFTER SAILING DATE) AND FOR BARLEY AND OATS MONTHLY FIGURES WHEN RELEASED BY STATISTICIAN.

2. LOADINGS UNDER PRESENT AWB/USSR WHEAT CONTRACT FOR 1.5 MILLION METRIC TONS FURTHER COMPLICATED BY DIVERSION TO VIETNAM AND NORTH KOREA, WIT AWB OFTEN ONLY ADVISED AT LAST MINUTE. AS OF DECEMBER 1, 1975 ABOUT 1.2 MILLION TONS RE-

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MAINED TO BE SHIPPED UNDER THIS CONTRACT. IT APPEARS LIKELY

THAT ABOUT 200,000 TONS WILL GO TO VIETNAM AND ABOUT 50,000 TONS TO NORTH KOREA, WHICH WOULD LEAVE ABOUT 950,000 TONS FOR SHIPMENT TO USSR PROPER. THE BULK OF THIS WILL GO TO FAR EAST (NAKHOLKA), BUT A PROPORTION WILL ALSO BE SHIPPED TO BLACK SEA PORTS. SHIPMENTS DURING NOVEMBER 1975 TOTALLED 213,761 TONS, OF WHICH 145,448 TONS WENT TO FAR EAST, 41,021 TONS TO BALCK SEA, AND 27,292 TO VIETNAM. DURING DECEMBER 97/252 TONS WERE SHIPPED, COMPRISING 46,825 TONS TO FAR EAST, 37,071 TO VIETNAM, AND 13,356 TO NORTH KOREA. DURING THE FIRST HALF OF JANUARY 1976 SHIPMENTS TOTALLED 69,439 TONS, COMPRISING 61,958 TO FAR EAST, AND 7,481 TO VIETNAM. ACCORD-
INGLY FROM MID-JANUARY JUST OVER 1 MILLION TONS REMAINED TO BE SHIPPED TO THE END OF MAY WHEN CONTRACT IS TO BE COMPLETED. ON THIS BASIS SHIPMENTS DURING THE NEXT FOUR MONTSH SHOULD RANGE BETWEEN 225,000 AND 270,000 TONS PER MONTH. WE WILL CABLE SHIPMENTS FOR TWO-WEEK PERIODS AS THEY BECOME AVAILABLE. SHIPMENTS AFTER MAY WILL BE SUBJECT TO NEW CONTRACT, AND WE ANTICIPATE NEGOTIATIONS FOR AT LEAST 500,000 TONS IN APRIL OR EARLY MAY.

3. THE SITUATION FOR FEED GRAINS IS EVEN MORE COMPLICATED AS THESE ARE HANDLED BY A SUBSTANTIAL NUMBER OF INTERNATIONAL TRADERS AND STATE MARKETING BOARDS. FOR BARLEY IT APPEARS THAT OUR NOVEMBER FORECAST OF 500,000 TONS TO USSR WILL PROVE CONSERVATIVE, MAINLY BECAUSE OF THE BETTER THAN EX-
PECTED HARVEST, AND WE BELIEVE SHIPMENTS WILL NOW APPROX-
IMATE 775,000 TONS. WE UNDERSTAND A PROPORTION OF THE SEPTEMBER CONTRACTS FOR 750,000 TONS OF CANADIAN BARLEY WITH AUSTRALIAN OPTION WILL BE COVERED BY SHIPMENTS OF ABOUT 360,000 TONS FROM HERE, WHILE OTHER DIRECT SALES WILL PROBABLY ADD ANOTHER 300,000 TONS. PART OF THESE CONTRACTS WERE NEGOTIATED ON THE LONDON MARKET BY TRADERS AND AGENTS OF THE AUSTRALIAN BARLEY BOARD. ON THE BASIS OF DISCUSSIONS WITH TRADE CONTACTS IT APPEARS THAT ABOUT 376,000 TONS OF SA/VICTORIAN BARLEY WILL GO TO USSR, ABOUT 200,000 TONS FROM QUEENSLAND, 100,000 TONS FROM NSW, AND ABOUT 100,000 TONS FROM WESTERN AUSTRALIA. FIRST JANUARY LOADING WAS ABOUT 30,000 TONS FROM BRISBANE, WHICH SAILED LAST WEEK, WHILE TWO FURTHER VESSELS ARE NOW LOADING AT THAT PORT. SEVERAL VESSELS ARE NOW LOADING IN OTHER STATES OR HAVE BEEN LIMITED OFFICIAL USE

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NOMINATED FOR EARLY FEBRUARY, IT IS EXPECTED THAT SHIPMENTS WILL BE COMPLETED BY MAY OR JUNE. USSR HAS VIRTUALLY SECURED ENTIRE EXPORTABLE SURPLUS OF OATS, WITH AN ESTIMATED 250,000 TONS UNDER CONTRACT. HERE AGAIN, SHIPMENT IS TO COMMENCE IN EARLY FEBRUARY AND EXPECTED TO BE COMPLETED BY END OF MAY. AS THE BARLEY AND OAT SURPLUSES HAVE NOW BEEN COMMITTED (AT LEAST ON BAOARD OVERSOLD), LITTLE ADDITIONAL FEED GRAIN WILL BE AVAILABLE FOR SALE TO USSR THIS SEASON. HOWEVER,

WE UNDERSTAND USSR MAY STILL BE IN MARKET FOR AUSTRALIAN RICE.

4. OFFICIAL DATA FOR FEED GRAIN EXPORTS ARE AVAILABLE ONLY TO END OCTOBER. NO EXPORTS OF BARLEY AND OATS WERE MADE TO USSR DURING JULY/SEPTEMBER. FIRST SHIPMENT OF OLD CROP BARLEY WAS MADE IN OCTOBER, WHICH CONSISTED OF 3,900 TONS MALTING BARLEY. NOVEMBER SHIPMENTS ARE ESTIMATED AT 10,000 TONS AND DECEMBER SHIPMENTS AT 60,000 TONS.
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